

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NOS. 2002-226-C, 2002-227-C, 2002-228-C,
2002-229-C, 2002-230-C, and 2002-231-C

ORDER NO. 2002-622

SEPTEMBER 4, 2002

In the Matter of the Application of)
)
Xspedius Management Co. of Charleston, LLC)
Xspedius Management Co. of Spartanburg, LLC)
Xspedius Management Co. of Columbia, LLC)
Xspedius Management Co. of Greenville, LLC)
Xspedius Management Co. Switched Services, LLC)
)
For a Certificate of Public Convenience and) ORDER GRANTING
Necessity to Provide Facilities-Based and Resold) CERTIFICATES FOR LOCAL
Interexchange and Local Exchange) AND INTEREXCHANGE
Telecommunications Services in the State of South) AUTHORITY AND FOR
Carolina, for Alternative Regulation first Approved) MODIFIED ALTERNATIVE AND
in Docket No. 95-661-C, and for Flexible) FLEXIBLE REGULATION; FOR
Regulation first Approved in Docket No. 97-467-C) APPROVAL OF TRANSFER OF
ASSETS AND
DISCONTINUANCE OF SERVICE
)
Joint Application of ACSI Local Switched Services,)
Inc., *Et Al.* and Xspedius Management Co.)
Switched Services, LLC, *Et Al.*)
)
For Expedited Approval of the Transfer of)
Substantially All of the Assets, Including the)
Customer Contracts, of the e.spire Operating)
Entities to the Xspedius Operating Entities, and the)
Discontinuance of Service by the e.spire Operating)
Entities in the State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the
"Commission") by way of 1) the Applications of Xspedius Management Co. of

Charleston, LLC (“Xspedius Charleston”), Xspedius Management Co. of Spartanburg, LLC (“Xspedius Spartanburg”), Xspedius Management Co. of Columbia, LLC (“Xspedius Columbia”), Xspedius Management Co. of Greenville, LLC (“Xspedius Greenville”), and Xspedius Management Co. Switched Services, LLC (“Xspedius Switched Services”), (collectively the “Xspedius Operating Entities”) for authority to provide local exchange and interexchange telecommunications services within the State of South Carolina (the “Certification Applications”) and 2) the Application of ACSI Local Switched Services, Inc. d/b/a e.spire (“ACSI Switched Services”), American Communication Services of Charleston, Inc. d/b/a e.spire (“ACSI Charleston”), American Communication Services of Columbia, Inc. d/b/a e.spire (“ACSI Columbia”), American Communication Services of Greenville, Inc. d/b/a e.spire (“ACSI Greenville”), and American Communication Services of Spartanburg, Inc. d/b/a e.spire (“ACSI Spartanburg”) (collectively the “e.spire Operating Entities”) and the Xspedius Operating Entities for expedited approval of the transfer (the “Transaction”) of substantially all the assets, including the customer contracts, of the e.spire Operating Entities to the Xspedius Operating Entities, and the discontinuance of telecommunications services by the e.spire Operating Entities in the State of South Carolina (the “Joint Application”).

Further, the Xspedius Operating Entities request that the Commission regulate their local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Xspedius Operating Entities request that the Commission regulate their

business interexchange services offerings under the identical regulatory treatment granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

The Certification Applications of the Xspedius Operating Entities and the Joint Application were filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2001), S.C. Code Ann. Section 58-9-310 (Supp. 2001), S.C. Code Ann. Section 58-9-300, S.C. Code Ann. Section 58-9-520 (Supp. 2001), and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed the Xspedius Operating Entities to publish, one time, prepared Notices of Filing in newspapers of general circulation in the areas affected by the Certification Applications and the Joint Application. The purpose of the Notices of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Xspedius Operating Entities complied with this instruction and provided the Commission with proof of publication of the Notices of Filing. Petitions to Intervene in the Certification Applications were received from the South Carolina Telephone Coalition ("SCTC") on July 30, 2002. No petitions to intervene were received in response to the Joint Application.

On August 1, 2002, counsel for the SCTC filed with the Commission five (5) separate executed Stipulations (one for each of the Certification Applications) in which the Xspedius Operating Entities stipulated that they would seek authority only in non-rural local exchange ("LEC") service areas of South Carolina and not provide any local service to any customer located in a rural incumbent's service area, unless and until the particular Xspedius Operating Entity provided written notice of its intent prior to the date

of the intended service. The Xspedius Operating Entities also stipulated that they were not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. The Xspedius Operating Entities agreed to abide by all State and Federal laws and to participate to the extent that they may be required to do so by the Commission to support universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of statewide Certificates of Public Convenience and Necessity to the Xspedius Operating Entities provided the conditions contained in the Stipulations are met. The Stipulations are approved and attached as Order Exhibits 1 through 5.

By Order No. 2002-259 issued July 25, 2002, the Commission approved the consolidation of the five (5) Certification Applications and the Joint Application for purposes of hearing.

A hearing was commenced on Tuesday, August 20, 2002, at 2:30 p.m. in the Commission's Hearing Room. The Honorable Mignon Clyburn, Chairman, presided. John J. Pringle, Jr., Esquire represented the Xspedius Operating Entities. Adelaide D. Kline, Staff Counsel, represented the Commission Staff. James C. Falvey, Vice-President of Regulatory Affairs for e.spire, appeared and testified in support of the Certification Applications and the Joint Application. Barbara Crawford appeared and testified on behalf of the Audit Department of the Commission Staff.

Mr. Falvey stated that he joined e.spire in 1996 as Vice President of Regulatory Affairs, and was promoted to Senior Vice President of Regulatory Affairs in March of 2000. Mr. Falvey noted that he has testified before this Commission previously. Prior to

joining e.spire, Mr. Falvey practiced law with the Washington D.C. law firm of Swidler & Berlin, where he represented competitive local exchange carriers (“CLECs”), competitive local access providers, cable operators and other common carriers before various state and federal regulatory authorities. Prior to his employment at Swidler & Berlin, Mr. Falvey practiced antitrust litigation in the Washington office of Johnson & Gibbs.

The Xspedius Operating Entities seek authority from this Commission to provide competitive facilities-based interexchange and local exchange telecommunications services throughout South Carolina, and to resell interexchange and local exchange telecommunications services obtained from other certificated carriers in South Carolina. Specifically, Xspedius Switched Services will acquire the Lucent 5ESS switching facilities and equipment currently leased by ACSI Switched Services, and located within the cities of Charleston, Columbia, Greenville and Spartanburg. Xspedius Switched Services will use these switching facilities, along with the network to be acquired by its affiliates, to provide a broad array of switched telecommunications services to customers in South Carolina. The affiliates of Xspedius Switched Services – Xspedius Charleston, Xspedius Columbia, Xspedius Greenville, and Xspedius Spartanburg – will acquire the network facilities currently owned and operated by ACSI Charleston, ACSI Columbia, ACSI Greenville and ACSI Spartanburg, respectively, to provide dedicated telecommunications services to customers in South Carolina.

According to the record, Xspedius Management Co. Switched Services, LLC (“Xspedius Management”) is a Delaware Limited Liability Company formed on June 3,

2002. The Xspedius Operating Entities, each of which is a direct, wholly owned subsidiary of Xspedius Management, are also Delaware Limited Liability Companies formed on June 3, 2002. Mr. Falvey testified that the Xspedius Operating Entities have affiliated companies that are certificated to provide local exchange services in twenty states. The Xspedius Operating Entities have received authority from the South Carolina Secretary of State to transact business within the State of South Carolina. The corporate headquarters of Xspedius Management (and all of the Xspedius Operating Entities) are located in O'Fallon, Missouri.

Mr. Falvey opined that Xspedius possesses the financial, technical, and managerial resources to provide telecommunications services in the State of South Carolina. Mr. Falvey said that the Xspedius Operating Entities have established a strong management team, made up of veterans of the telecommunications industry, to support their venture into the South Carolina market. Further, he stated the Xspedius Operating Entities have the managerial ability and experience in the telecommunications industry that will allow them to be a successful competitive local exchange and interexchange provider in South Carolina.

Mr. Falvey discussed the background and experience of some of the other key management team members. James Allen, Chairman, is the former Vice Chairman and Chief Executive Officer of Brooks Fiber Properties, and serves as a director for a number of companies and institutions. Mark W. Send, Chief Executive Officer, has served in various management roles over the past two decades as an officer of AT&T Local Services of Canada, MetroNet Communications, MFS Communications, Brooks Fiber

Properties, and MCI Communications Corp. Dan Lensgraf, Chief Financial Officer, previously served as Chief Financial Officer for Satelink Communications, Inc. Ines LeBow, Senior Vice President of Operations, has twenty years' experience in management, operations, engineering, finance and project management in telecommunications, wireless, long distance, competitive access and the competitive local exchange sectors of the industry. Michael Miller, President of Xspedius Management Co. Network Technologies, Inc., has more than nineteen years of management experience with telecommunications companies. Finally, Randall Muench, Executive Vice President of Sales and Marketing, joined e.spire in March of 1998 as Vice President of Sales Operations and Customer Service, having previously served as Director of Marketing and Finance for MCI's State Government and University Markets.

Mr. Falvey testified that the Xspedius Operating Entities have sufficient financial capability to provide the requested telecommunications services in South Carolina and have the financial capability to maintain these services. Mr. Falvey pointed out that the e.spire Operating Entities had actually demonstrated earnings before depreciation, taxes and amortization ("EBITDA") positive operations in South Carolina during the fourth quarter of 2000, but that the debt obligations of the e.spire Operating Entities forced a Chapter 11 bankruptcy filing. Mr. Falvey testified that the Xspedius Operating Entities will be operating with the same assets previously owned by the e.spire Operating Entities, but without the heavy debt burdens that encumbered the e.spire companies. Mr. Falvey further testified that the Xspedius Operating Entities have access to additional capital through Thermo Telecom Partners, LLC, the principal owner of Xspedius Management.

Mr. Mike Fallon will serve as the contact person for the Xspedius Operating Entities should the Commission or the Staff have questions or concerns regarding financial or accounting matters.

The record reveals that the Xspedius Operating Entities will offer comprehensive customer service on their toll-free telephone number (800) 937-7473. Mr. Falvey said that this or a comparable number will appear on the customer's bill and customers may contact this number for information concerning their bills. Customer service agents will be available twenty-four hours per day, seven days a week. Mr. Falvey further stated that the Company will directly bill its customers. He said that Chad Pifer will serve as the Company's regulatory contact person. Mr. Falvey said he also would be available as a regulatory contact person. Mr. Falvey stated that Mr. Pifer can be reached at (337) 312-5240, or via electronic mail at chad.pifer@xspedius.com.

The testimony reveals that the Xspedius Operating Entities' presence in South Carolina as telecommunications service providers will have a positive effect on the public interest. Mr. Falvey testified that the Xspedius Operating Entities, upon receiving certification, will operate in compliance with all applicable statutes, regulations, and Commission Orders. Further, Mr. Falvey assured the Commission that Xspedius Operating Entities' service will meet applicable service standards, and that Xspedius Operating Entities will support universally available telephone service at affordable prices. Further, Mr. Falvey offered that approval of the Certification Applications serves the public interest by increasing telecommunications competition in South Carolina thereby bringing about lower rates, improved quality of service, and enhanced services.

He stated that the presence of the Xspedius Operating Entities in the market will increase incentives for the ILECs to reduce their prices, offer more innovative services, and improve their quality of service thereby benefiting all consumers in South Carolina. Mr. Falvey also offered that approval of the Certification Applications would not adversely impact the availability of affordable local exchange service.

Mr. Falvey testified that no affiliate of the Xspedius Operating Entities has ever had authority denied in any state where it has applied for authority nor has any such affiliate had authority revoked in any state where authority has been granted. Additionally, he stated that neither Xspedius Management nor any of its subsidiaries has ever been the subject of an investigation or sanctioned for service or billing irregularities by any regulatory authority. According to the testimony, none of the Xspedius Operating Entities has marketed its services in South Carolina prior to receiving certification, and no Xspedius Operating Entity has received revenues from the completion of intrastate calls in South Carolina prior to receiving certification. Mr. Falvey stated that each of the Xspedius Operating Companies will abide by all the Commission's rules, regulations and Orders upon the receipt of certification to provide intrastate interexchange and local exchange telecommunications services in South Carolina.

Mr. Falvey stated he was familiar with Commission Staff's recommended changes to the tariffs and confirmed that the Xspedius Operating Entities would be willing to make all of the suggested changes to their final tariffs. In addition, Mr. Falvey agreed to provide an email address and telephone number on the bottom of each tariff page, and will also furnish a copy of its Bill Form, according to 26. S.C. Code Ann. Regs.

103-612.2 and 103-622.1 (1976). He further committed these entities to file the Commission's required financial reports in a timely fashion.

As to marketing their services in South Carolina, Mr. Falvey said that the Xspedius Operating Entities do not intend to do any telemarketing at this time. The record reveals these companies will use a variety of techniques to obtain customers, primarily using direct sales agents and traditional agent arrangements. The Xspedius Operating Entities asked this Commission for approval of alternative regulation of their business services as was first approved by the Commission in Orders No. 95-1734 and 96-55, Docket No. 95-661-C, and modified by Order No. 2001-997, and flexible regulation for local exchange services first approved in Docket 97-467-C. Mr. Falvey offered that the Xspedius Operating Entities request approval of alternative regulation in which maximum rates would be eliminated for certain long distance business services, consumer card and operator service offerings. He stated he understands the Commission's recent modification of alternative regulation.

Mr. Falvey testified that the Xspedius Operating Entities seek flexible regulatory treatment of their local exchange services in connection with this proceeding. He further understands that flexible regulatory treatment requires that the Xspedius Operating Entities file maximum rates for their service offerings and that local tariff filings would be presumed valid once they are filed subject to the Commission's right to investigate the filing within thirty days. With regard to interconnection agreements, Mr. Falvey testified that Xspedius Management is negotiating on a region-wide basis with BellSouth Telecommunications, Inc. ("BellSouth") to assign the interconnection agreement

previously executed by the e.spire Operating Entities and BellSouth, for the provision of services the Xspedius Operating Entities intend to offer in South Carolina.

Mr. Falvey discussed the Xspedius Operating Entities' requests for certain waivers of Commission regulations. First, the Xspedius Operating Entities ask that they be exempt from any rules or regulations that would require them to keep financial records in conformance with the Uniform System of Accounts ("USOA"), and accordingly seek to maintain their books of account in accordance with Generally Accepted Accounting Principles ("GAAP"). Additionally, the Xspedius Operating Entities seek a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 & Supp. 2001), so that they will not be required to publish local exchange directories. The Xspedius Operating Entities will contract with the ILECs or their directory publishing affiliates for the inclusion of their CLEC databases into the master customer databases of the directory provider. Finally, the Xspedius Operating Entities seek waiver of 26 S.C. Code Ann. Regs. 103-610 (1976 & Supp. 2001) so that the Xspedius Operating Entities can maintain their records outside of South Carolina at the headquarters of Xspedius Management in O'Fallon, Missouri.

According to the Joint Application, the e.spire Operating Entities filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on March 22, 2001. Pursuant to the terms of a transaction approved by the Bankruptcy Court (the "Transaction"), the Xspedius Operating Entities will acquire substantially all of the assets of the e.spire Operating Entities, including most of their customer accounts and contracts. The Joint Application requests that the Commission approve the transfer of the e.spire Operating Entities' assets

and customer base to the Xspedius Operating Entities. Upon completion of the Transaction, the e.spire Operating Entities will no longer provide telecommunications services in South Carolina. Accordingly, the e.spire Operating Entities also request authority to discontinue the provision of telecommunications services upon the complete transfer of their assets and customer base to the Xspedius Operating Entities.

The record reveals that following the completion of the Transaction, the Xspedius Operating Entities will provide the same local, long distance and dedicated telecommunications services to the former customers of the e.spire Operating Entities. According to the Joint Application, the Xspedius Operating Entities will continue to provide the current customers of the e.spire Operating Entities the same service arrangements, at the same rates, and pursuant to the same terms and conditions. Thus, the Transaction will be virtually transparent to the current customers of the e.spire Operating Entities.

To ensure a seamless transition, and to avoid unnecessary confusion or inconvenience, written notice was provided to customers of the e.spire Operating Entities on June 7, 2002. The notification letter, which was attached as an exhibit to the Joint Application, details the change in service provider, in accordance with the applicable requirements of the Federal Communications Commission ("FCC") for changing a customer's presubscribed carrier.

According to the Joint Applicants, the Transaction serves the public interest. Specifically, the Transaction will a) eliminate the threat of disruption of service to existing customers of the e.spire Operating Entities who could lose service due to the

bankrupt status of their carrier(s); and b) will increase competition in the South Carolina telecommunications market by strengthening the Xspedius Operating Entities' position as effective and multifaceted telecommunications carriers. The Joint Applicants emphasize that following the Transaction, the former customers of the e.spire Operating Entities will continue to receive services from experienced and qualified carriers which will be consistent with the quality of services currently provided by the e.spire Operating Entities.

After full consideration of the applicable law, the Certification Applications and the Joint Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Xspedius Operating Entities are privately held limited liability companies ("LLCs") duly organized and existing under the laws of the State of Delaware, and have been authorized to do business in the State of South Carolina by the Secretary of State.

2. The Xspedius Operating Entities are providers of local exchange and interexchange telecommunications services and wish to provide their services in South Carolina.

3. The Xspedius Operating Entities have the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2001).

4. The Commission finds that the Xspedius Operating Entities' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2001).

5. The Commission finds that the Xspedius Operating Entities will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2001).

6. The Commission finds that the services to be provided by the Xspedius Operating Entities will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2) (Supp. 2001).

7. The Commission finds that the provision of local exchange service by the Xspedius Operating Entities "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2001).

8. Each of the Xspedius Operating Entities is a direct, wholly owned subsidiary of Xspedius Management Co., LLC.

9. Following the transfer of the assets of e.spire Operating Entities, the Xspedius Operating Entities will use the existing telecommunications facilities of e.spire in South Carolina.

10. The Xspedius Operating Entities will acquire the assets, and not the stock, of the e.spire Operating Entities. Upon completion of the Transaction, the e.spire Operating Entities will no longer provide telecommunications services in the State of South Carolina.

11. The proposed transfer of customer accounts and contracts will not disrupt service or adversely affect the customers of e.spire Operating Entities in South Carolina. There will be no change in the technical, financial, or managerial resources that are in place and available to serve customers in South Carolina.

12. The suite of telecommunications services currently being provided by e.spire Operating Entities initially will be provided to customers in South Carolina by Xspedius Operating Entities. The four affiliates of Xspedius Switched Services – Xspedius Charleston, Xspedius Columbia, Xspedius Greenville and Xspedius Spartanburg – initially will continue to provide the same service arrangements, at the same rates, and pursuant to the same terms and conditions as those which have been offered by the e.spire Operating Entities. The Transaction will be virtually transparent to South Carolina customers.

13. The Commission finds that the Transaction, whereby substantially all of the assets and customer base of the e.spire Operating Entities will be transferred to the Xspedius Operating Entities, will not adversely affect the current customers of the e.spire Operating Entities in South Carolina, and the Transaction will not adversely affect the provision of telecommunications services in South Carolina.

14. The Commission finds that the Transaction is in the public interest as it will eliminate the threat of disruption of service to existing customers of the e.spire Operating Entities, and will afford the Xspedius Operating Entities the opportunity to provide high-quality services and compete effectively in the telecommunications market in South Carolina.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that Certificates of Public Convenience and Necessity should be granted to the Xspedius Operating Entities to provide competitive intrastate local exchange services only to customers located in the non-rural areas of the state. The terms of the Stipulations between the Xspedius Operating Entities and SCTC are approved, and adopted as a part of this Order. Therefore, any proposal to provide local telecommunications service to rural service areas is subject to the terms of the Stipulations. In addition, the Xspedius Operating Entities are granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Xspedius Operating Entities shall file, prior to offering local exchange services in South Carolina, their final local service tariffs incorporating all changes suggested by Staff, and in conformance with South Carolina law. The Xspedius Operating Entities' local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for the Xspedius Operating Entities' competitive intrastate local exchange services a rate structure incorporating maximum

rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, the Xspedius Operating Entities' local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the interexchange services of the Xspedius Operating Entities consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997.

Under the Commission approved modified alternative regulation, the business service offerings of the Xspedius Operating Entities, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory

scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to the Xspedius Operating Entities also.

4. With regard to the residential interexchange service offerings of the Xspedius Operating Entities, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. With regard to residential interexchange service rates, the Xspedius Operating Entities shall not adjust their residential interexchange service rates below the approved maximum levels without notice to the Commission and to the public. The Xspedius Operating Entities shall file their proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for

residential interexchange services reflected in the tariff which would be applicable to the general body of the Xspedius Operating Entities' subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2001).

6. If it has not already done so by the date of issuance of this Order, the Xspedius Operating Entities shall file their revised interexchange tariffs and accompanying price lists within thirty (30) days of receipt of this Order. The revised tariffs shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. The Xspedius Operating Entities shall be required to comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Xspedius Operating Entities to contact the appropriate authorities regarding 911 service in the counties and cities where the Xspedius Operating Entities will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Xspedius Operating Entities may also obtain information by contacting the E911

Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Xspedius shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

8. The Xspedius Operating Entities are subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Xspedius Operating Entities' interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. The Xspedius Operating Entities shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If the Xspedius Operating Entities change underlying carriers, they shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, the Xspedius Operating Entities shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Xspedius Operating Entities shall comply with the imputation standard

as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

12. The Xspedius Operating Entities shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, the Xspedius Operating Entities shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Xspedius Operating Entities shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. The two-page form the Xspedius Operating Entities shall use to file this information is entitled "Annual Information on South Carolina Operations for Interexchange Xspedius Operating Entities and AOS". Be advised that the Commission's annual report for telecommunications Xspedius Operating Entities requires the filing of intrastate revenues and intrastate expenses.

13. In addition, the Xspedius Operating Entities are required to file annual report information for competitive local exchange carriers. The form the Xspedius Operating Entities shall use to file their annual financial information with the Commission can be found on the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, the Xspedius Operating Entities shall file with the Commission a quarterly report entitled

“CLEC Service Quality Quarterly Report.” The proper form for this report is found on the Commission’s website at www.psc.state.sc.us/forms/default.htm.

14. The Xspedius Operating Entities shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

The Xspedius Operating Entities shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Xspedius Operating Entities shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Xspedius Operating Entities shall promptly notify the Commission in writing if the representatives are replaced. The Xspedius Operating Entities shall also file with the Commission a copy of their general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2001).

15. The Xspedius Operating Entities shall conduct their businesses in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

16. The FCC in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. These Xspedius Operating Entities must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at www.psc.state.sc.us/forms.

17. By its Certification Applications, the Xspedius Operating Entities requested a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 2001). In lieu of publishing local directories, the Xspedius Operating Entities inform the Commission that they will contract with the incumbent LECs to provide the Xspedius Operating Entities' customers with directory listings, as well as to undertake the distribution of directories. The Commission finds the Xspedius Operating Entities' requests reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631

(1976 and Supp. 2001). Further, the Xspedius Operating Entities are granted a waiver of 26 S.C. Regs. 103-610 (1976 and Supp. 2001) requiring the Xspedius Operating Entities to maintain their financial books and records within the State of South Carolina. The Xspedius Operating Entities are hereby granted permission to maintain their financial books and records at their principal headquarters in O'Fallon, Missouri. Further, the Commission acknowledges that the Xspedius Operating Entities will maintain their financial books and records in conformance with GAAP. The Xspedius Operating Entities are directed to comply with all Rules and Regulations of the Commission, unless the Commission specifically waives compliance with a regulation.

18. The Joint Application of the e.spire Operating Entities and the Xspedius Operating Entities for approval of the transfer of the e.spire Operating Entities' assets and customer base to the Xspedius Operating Entities is hereby approved.

19. The e.spire Operating Entities' Certificates of Public Convenience and Necessity to provide local exchange and interexchange services in South Carolina shall be cancelled upon notification to this Commission that the Transaction has been fully consummated.

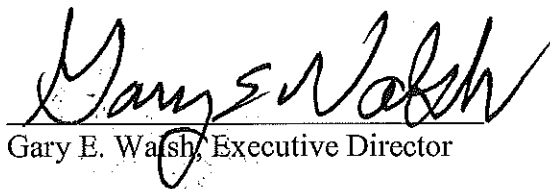
20. This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-226-C

Re: Application of Xspedius Management Co. of)
Charleston, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Xspedius Management Co. of Charleston, LLC ("Xspedius of Charleston") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Xspedius of Charleston's Application. SCTC and Xspedius of Charleston stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Xspedius of Charleston, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Xspedius of Charleston stipulates and agrees that any Certificate which may be granted will authorize Xspedius of Charleston to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Xspedius of Charleston stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Xspedius of Charleston stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Xspedius of Charleston provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Xspedius of Charleston acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Xspedius of Charleston stipulates and agrees that, if Xspedius of Charleston gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Xspedius of Charleston will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Xspedius of Charleston acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Xspedius of Charleston, and this Stipulation in no way suspends or

adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

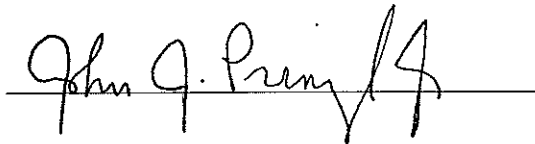
8. Xspedius of Charleston agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

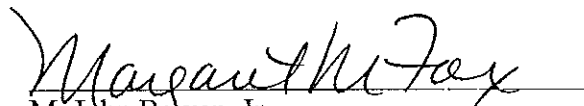
9. Xspedius of Charleston hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 1st day of August,
2002.

Xspedius Management Co. of Charleston, LLC:

South Carolina Telephone Coalition:





M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

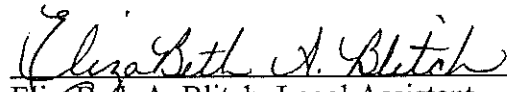
Docket No. 2002-226-C

Re: Application of Xspedius Management Co. of)
Charleston, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire
Beach Law Firm, P.A.
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

August 1, 2002

Columbia, South Carolina

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-227-C

Re: Application of Xspedius Management Co. of)
Spartanburg, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Xspedius Management Co. of Spartanburg, LLC ("Xspedius of Spartanburg") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Xspedius of Spartanburg's Application. SCTC and Xspedius of Spartanburg stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Xspedius of Spartanburg, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Xspedius of Spartanburg stipulates and agrees that any Certificate which may be granted will authorize Xspedius of Spartanburg to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Xspedius of Spartanburg stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Xspedius of Spartanburg stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Xspedius of Spartanburg provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Xspedius of Spartanburg acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Xspedius of Spartanburg stipulates and agrees that, if Xspedius of Spartanburg gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Xspedius of Spartanburg will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Xspedius of Spartanburg acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Xspedius of Spartanburg, and this Stipulation in no way suspends

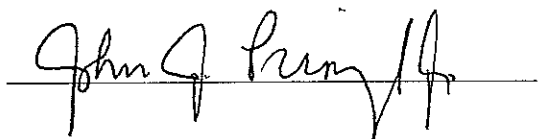
or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Xspedius of Spartanburg agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

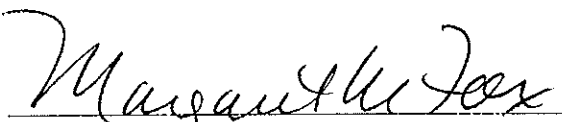
9. Xspedius of Spartanburg hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 1st day of August,
2002.

Xspedius Management Co. of Spartanburg, LLC:



South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

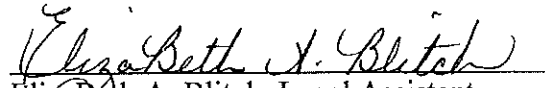
Docket No. 2002-228-C

Re: Application of Xspedius Management Co. of)
Spartanburg, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire
Beach Law Firm, P.A.
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

August 1, 2002

Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-228-C

Re: Application of Xspedius Management Co. of)
Columbia, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Xspedius Management Co. of Columbia, LLC ("Xspedius of Columbia") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Xspedius of Columbia's Application. SCTC and Xspedius of Columbia stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Xspedius of Columbia, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Xspedius of Columbia stipulates and agrees that any Certificate which may be granted will authorize Xspedius of Columbia to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Xspedius of Columbia stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Xspedius of Columbia stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Xspedius of Columbia provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Xspedius of Columbia acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Xspedius of Columbia stipulates and agrees that, if Xspedius of Columbia gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Xspedius of Columbia will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Xspedius of Columbia acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Xspedius of Columbia, and this Stipulation in no way suspends or

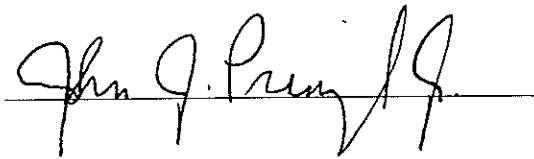
adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Xspedius of Columbia agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

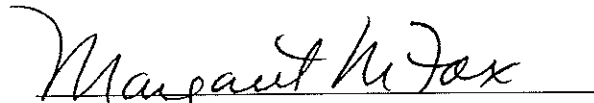
9. Xspedius of Columbia hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 1st day of August,
2002.

Xspedius Management Co. of Columbia, LLC:



South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

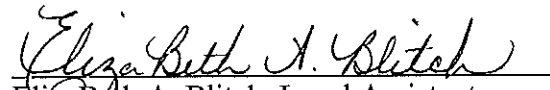
Docket No. 2002-228-C

Re: Application of Xspedius Management Co. of)
Columbia, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire
Beach Law Firm, P.A.
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blitch, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

August 1, 2002

Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

8/2/02 QSK

Docket No. 2002-229-C

Re: Application of Xspedius Management Co. of)
Greenville, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Xspedius Management Co. of Greenville, LLC ("Xspedius of Greenville") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Xspedius of Greenville's Application. SCTC and Xspedius of Greenville stipulate and agree as follows:

S. C. PUBLIC SERVICE COMMISSION
RECEIVED
UTILITIES DEPARTMENT

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Xspedius of Greenville, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Xspedius of Greenville stipulates and agrees that any Certificate which may be granted will authorize Xspedius of Greenville to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Xspedius of Greenville stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

OK DW
OK DW

4. Xspedius of Greenville stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Xspedius of Greenville provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Xspedius of Greenville acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Xspedius of Greenville stipulates and agrees that, if Xspedius of Greenville gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Xspedius of Greenville will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Xspedius of Greenville acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Xspedius of Greenville, and this Stipulation in no way suspends or

adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Xspedius of Greenville agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Xspedius of Greenville hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 1st day of August,
2002.

Xspedius Management Co. of Greenville, LLC:

South Carolina Telephone Coalition:

John J. Pringle, Jr.

Margaret M. Fox
M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2002-230-C

Re: Application of Xspedius Management Co. of)
Switched Services, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Xspedius Management Co. Switched Services, LLC ("Xspedius Switched Services") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Xspedius Switched Services' Application. SCTC and Xspedius Switched Services stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Xspedius Switched Services, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Xspedius Switched Services stipulates and agrees that any Certificate which may be granted will authorize Xspedius Switched Services to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Xspedius Switched Services stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Xspedius Switched Services stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Xspedius Switched Services provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Xspedius Switched Services acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Xspedius Switched Services stipulates and agrees that, if Xspedius Switched Services gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Xspedius Switched Services will not provide service to any customer located within the service area in question without prior and further Commission approval. -

6. Xspedius Switched Services acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Xspedius Switched Services, and this Stipulation in no way

suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Xspedius Switched Services agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Xspedius Switched Services hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 1st day of August,
2002.

Xspedius Management Co. Switched Services, LLC: South Carolina Telephone Coalition:

John Q. Prunty, Jr.

Margaret M. Fox

M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina
Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

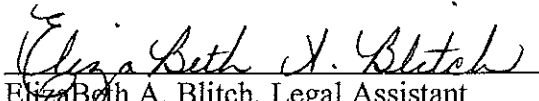
Docket No. 2002-230-C

Re: Application of Xspedius Management Co. of)
Switched Services, LLC for a Certificate of Public)
Convenience and Necessity to Provide Resold)
and Facilities-based Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blich, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

John J. Pringle, Jr., Esquire
Beach Law Firm, P.A.
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blich, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

August 1, 2002

Columbia, South Carolina